



Space Family Education, Inc. (SFEI)

Annual Report
General Membership Meeting
June 16, 2005

AGENDA

* SFEI Annual Report

- Director
- Board Members

* Board of Directors Election

* By-Laws Changes

Child Care
Center

SFEI Annual Report: Director

* State of the School

- NAEYC accredited
- Follows minimum standards
- NASA guidelines

Child Care
Center

Kristy Hirning

SFEI Annual Report: Director

* Past Year Activities

- Enrichment: Sign Language, Computer, Movement, Spanish, Science
- Tumble Bus, Karate, and Dance
- Individual and class pictures
- Field trips
- Parents Workday
- Hearing and vision screening



Kristy Hirning

SFEI Annual Report: Director

* Fundraisers

- Scholastic Book Fair - \$293.60 & \$400 in free books
- Cookie Dough - \$4,470.40 [\$3,550.80]
- Box Tops - \$227.60 [\$144.29]
- Randall's Share Card - \$205.41 [\$312.41]
- Kroger Share Card - \$235.00 [\$268.52]
- Target - \$50.68 [\$43.03]
- Basket Fundraiser - \$790.60 [\$660.90]
- Dance Tree - \$1,180.80
- Freeze Frame - \$300.00

[\$] = last year numbers

Kristy Hirning

SFEI Annual Report: Director

* Special Events

- Wiggles
- Open House
- Grandparent Luncheon
- Talked to astronaut Mike Finke in space/welcome home!
- Fall Festival/Trick-or-Treat @ NASA/Thanksgiving Feast
- Santa Claus & Christmas Singing Program
- Rodeo Cook-Out
- Teacher Appreciation Week
- Easter Bunny
- Graduation Program
- Summer Camp @ St. Thomas

Kristy Hirning

SFEI Annual Report: Director

* Plans for Next School Year

- Develop plans for a permanent summer camp facility/Gymnasium
- Develop plans to adopt NAEYC new guidelines and look into new accreditation programs.

Kristy Hirning

SFEI Annual Report: President

* State of the Corporation

- Financially stable
- Loan for new facility being paid on schedule
 - According to schedule, loan will be paid back by September 2005
- Both bus loans are being paid back on schedule
 - Buses will be paid back in '08 and '09



Susan Gomez

SFEI Annual Report: President

* Facility

- Old building 210 has been removed
- NASA was unable to find a summer camp building on site this year, but SFEI negotiated use of St. Thomas facility
- NASA does not currently have funding to build the proposed gymnasium for SFEI to use for summer camp and potentially an after school program
- SFEI have had discussions with the JSC Exchange about using their planned Phase B gymnasium for summer camp and for after school program. In return, SFEI would provide care for the children of the parents using the Gilruth gymnasium during after-work hours



Susan Gomez

SFEI Annual Report: President

* Safety Related Improvements

- Standard Operating Procedures being created
 - Draft has been created based on existing procedures from several sources
- Revised head injury procedure
- New playground safety rules
- NASA Safety Representative attending BOD meetings
- Parents no longer sign accident/illness forms on the playground if they pick up their child when the class is on the playground
 - Eliminates distraction
 - Accident/illness forms are signed at the front desk if the class is on the playground

Susan Gomez

SFEI Annual Report: Vice President

* **Safety-related improvements:**

- Began Injury and Illness reports database
- Added Safety as the first topic on the monthly Board of Directors meeting agenda
 - Director reports on safety-related events at CCC
 - VP reports on monthly injuries and illnesses and trends

* **May 2005 Injury and Illness data**

* **Injury and Illness data for 2005**

- Still working on most informative categorization scheme
- Will become more informative as more data is collected over time



Erica Vandersand

SFEI Annual Report: Treasurer

★ Budget Status

- SFEI is financially stable
 - Expenses from the previous 2 fiscal years depleted SFEI reserves
 - Buses were purchased in May'03 and April'04
 - Previous budget underestimated Summer Camp personnel costs, general maintenance (interior painting), gas prices, medical insurance increase
 - Tuition increase in September 2004 (\$2/wk) did not cover increase in teachers salaries (\$4.40/wk)
 - \$10 per week tuition increase in April 2005
 - Currently, SFEI is operating in the black, with minimal reserves

Jennifer Mason

SFEI Annual Report: Treasurer

★ Budget Status (cont'd)

- Balancing the budget for FYE April 2006
 - With no additional changes, we will break even in FYE April 2006 and continue to have no cash reserve
 - From February-May 2005, the Budget and Finance Committee investigated options for cost savings and income generation
 - In early June 2005, the Committee recommended a proposal for a balanced budget to the Board of Directors
 - Based on this recommendation and other information, the Board has finalized the budget



Jennifer Mason

SFEI Annual Report: Treasurer

* Objectives of Balanced Budget for FYE 2006

- Establish appropriate reserve level within 2 years (\$50K)
 - Reserve by April 2006 is expected to be \$20-25K
- Minimize impact to quality of programs and services
 - Cut as little as possible
 - Supplement curriculum with parent volunteered enrichment activities
- Minimize impact to teachers' salaries and benefits
 - Provide competitive or better teacher salaries
 - Maintain annual cost of living increase and small bonuses
 - Find affordable medical insurance and continuity with health care providers (implemented May 2005 @ \$9K savings)
 - Do not replace retiring teacher; current teachers and substitutes will be used

Jennifer Mason

SFEI Annual Report: Treasurer

* Objectives of Balanced Budget for FYE 2006 (cont'd)

- Maximize teacher/child ratio within NAEYC and State guidelines
 - Keep close to current square footage
 - Maintain quality of current teacher/child relationship
 - Committee recommends an increase in rooms 7-9 of 1 child each
- Separate Summer Camp revenue and expenses from Regular School
 - Includes bus loans, gas, depreciation
 - Increase registration fee and tuition (implemented April 2005)
- Separate Fundraising from general operating budget (e.g. CFC, Kroger Share Cards, cookie dough, baskets)
 - Not reliable income source because fundraising fluctuates and is difficult to predict

Jennifer Mason

SFEI Annual Report: Treasurer

* Objectives of Balanced Budget for FYE 2006 (cont'd)

- Cost increase of 3-5% is anticipated in some areas (e.g. gas prices)
- Where possible, decrease operating expenses by 3-5%
 - Decreases will be potentially offset by fundraisers
- Ensure that field trip fees cover full costs of field trips (teachers, children, gas, food, etc.)
- Minimize number of parties/carnivals
- Add new category for Legal Expenses
 - Supplemental counsel to JSC Legal Office
 - For reviewing correspondence, policies, By-Laws changes, etc., as needed



Jennifer Mason

SFEI Annual Report: Treasurer

* Objectives of Balanced Budget for FYE 2006 (cont'd)

- Keep tuition rate competitive with comparable day care centers
 - Committee conducted telephone survey of other day cares
 - Annual increase recommended to keep up with inflation
 - \$3/wk increase approved for Sept 5, 2005
- Look at other ways to generate revenue
 - Raise annual Membership Fee from \$20 to \$25
 - Increase refundable security deposit from \$100 to \$250 for families enrolling an additional child, starting Sept 1
 - Decreases risk of insufficient advance notice of withdrawal
 - Already in place for new families
 - Existing families with no additions will be grandfathered @ \$100

Jennifer Mason

SFEI Annual Report: Treasurer

* Other Information

- Exchange Loan for outfitting of new facility will be paid on schedule
 - According to schedule, loan will be paid back by September 2005
- Monthly financial statements are posted on the Childcare Center web site at: <http://childcare.jsc.nasa.gov/>
- Audit for FYE04 was completed by BDO Seidman, LLP

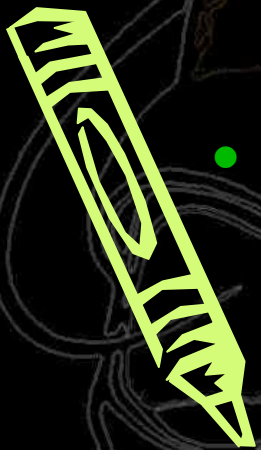


Jennifer Mason

SFEI Annual Report: Policies & Procedures

★ Status of Enrollment

- Maintained near 100% enrollment during 2004:
 - 17 withdraws from Center
 - Openings filled from waiting list and JSC Today advertisements
- School Year 2005-2006 Openings:
 - Filled - 10 Infant, 4 Toddler, 4 Twos, 4 Early Pre-K, 5 Pre-K
 - Remaining - 7 Infant through Early Pre-K
 - Two Pre-K openings were added
 - 18 Kindergartners enrolled (all from internal waiting list)
- Currently 197 children on the waiting list



Jennifer Lewis

SFEI Annual Report: Policies & Procedures

* Policy Changes in 2004

- Added that the JSC Safety Representative will be notified by SFEI Director during a medical emergency and added special procedures for handling head injuries (i.e. call parent for all injuries including “bumps”, isolate child)
- Updated Playground Safety Rules to include:
 - Paperwork will not be filled out on the playground
 - The teachers and staff will ensure the staff-to-child ratio is met before going out on the playground and maintained while on the playground.
 - At least one teacher will be stationed at each of the playground areas (e.g., sandbox, tire swing, play structure).
- Increased security deposit from \$100 to \$250 per family.



Jennifer Lewis

SFEI Annual Report: Policies & Procedures

* Parent Handbook

- Several clarifications and new information added to the handbook. Examples include:
 - SFEI, TDFPS, and NAEYC website addresses
 - SFEI management structure
 - Accessibility of children's files and records
 - How accidents/incidents are reported and reviewed (Accident/Incident Report form)
 - How to report hazardous conditions (JSC Close Call, JSC Safety Hotline)
 - Facility safety rules (classroom, facility, playground)
- Current handbook located on SFEI website - changes from published hardcopy version listed on first page and designated by blue font within the text
- New hardcopy version to be distributed in August 2005
 - Will contain list of updates since August 2004 on first page

Jennifer Lewis

SFEI Annual Report: Secretary

* **Membership Status**

- 317 members [270 last year]

* **BOD Meetings**

- SFEI BOD and members met every third Thursday of each month
 - No BOD meeting September 2004
- Meeting minutes are available on SFEI web site
 - <http://childcare.jsc.nasa.gov/>
 - June 2004 to May 2005

* **Director Evaluation (May 31 - June 10)**

- Done electronically via a survey on a website
- Results will be presented at the July BOD meeting

Louis Nguyen

SFEI Annual Report: Secretary

★ 2005 Board of Directors Election

- Prepared ballots for 11 candidates for 5 BOD positions
 - Received and processed 14 nominations
- Paperless election via NASA Human Resources web-survey program
 - 2005 Election website opens from June 6-24 for voting
 - Electronic ballots were sent to the membership on June 3
 - Remaining ballots (late members, corrected/updated emails, etc...) will be sent out on June 16
- BOD election result will be available on June 30



Louis Nguyen

SFEI Annual Report: Secretary

* SFEI By-Laws

- Updated SFEI By-Laws after amendments 12,13 and 14 were adopted after the June 2004 General Membership Meeting
 - <http://childcare.jsc.nasa.gov/SFEI-BYLAWSJul04.pdf>
- Received 3 proposed By-Laws amendment for 2005 General Membership Meeting
 - A-15 Article VI Sections 2 & 5 - Duties of the Member of the Board of Directors
 - A-16 Article XII Section 2 - Amendments
 - A-17 IV Sections 1-3 - Administration and Organization
- Membership votes on proposed By-Laws amendments during the 2005 GMM (June 6-24 via 2005 Election website)

Louis Nguyen

2005 Board of Directors Election

* Candidates

- Lee Ann Audet
- Michael Berdich
- Jeff Bartlett
- Gloria Cybulski
- Jane Gensler
- Susan Gomez (President)
- Katy Hurlbert
- Louis Nguyen (Secretary)
- Liana Rodriggs
- Melanie Saunders
- Miranda Scroggins

Proposed Change to the By-Laws - Amendment 15 April 2005

ARTICLE VI Section 2 & 5: Duties of the Members of the Board of Directors

Original:

Section 2

The Vice-President's duties shall be as follows:

- assume the duties of the President in his or her absence.
- assume the chairpersonship of the Fund-raising and Scholarship Committee.
- [A-4] oversee the budget and financial status of the Corporation.

Section 5

The Policies and Procedures Chairperson's duties shall be as follows:

- hold regular meetings of the Policies and Procedures Committee.
- prepare and maintain a Parent's Handbook for the facility.

Amended:

Section 2

The Vice-President's duties shall be as follows:

- assume the duties of the President in his or her absence.
- [A-4] oversee the budget and financial status of the Corporation.

Section 5

The Policies and Procedures Chairperson's duties shall be as follows:

- [A-15] assume the chairpersonship of the Policies and Procedures Committee.
- prepare and maintain a Parent's Handbook for the facility.

Section 6 [A-15]

In addition to the duties tied to each position above, the Board Members will also fill the roles listed below, and shall decide among themselves the distribution of these roles.

Waiting List Coordinator - Responsible for managing a waiting list for the Child Care Center in accordance with the priority stated in the MOU with NASA.

Fundraising Chair - Responsible for ensuring an annual fundraising plan is in place.

Safety Chair - Responsible for oversight of JSC CCC safety including tracking and reporting trends related to Safety and Health incidents.

Proposed Change to the By-Laws - Amendment 16 May 2005

ARTICLE XII Section 2: Amendments

Original:

Section 2

Proposed amendments to the By-Laws must be submitted in writing to the Board of Directors at least one month prior to the annual General Membership meeting. The proposed amendment may originate from the Board of Directors or by a petition signed by at least fifteen percent (15%) of the Corporation membership.

At least two weeks prior to the annual General Membership meeting, a copy of the proposed amendment shall be distributed in writing to each member of the Corporation by the Secretary of the Board of Directors. If the majority of the votes cast at the General Membership meeting approves the adoption of the amendment, and the total number of votes cast meets or exceeds a quorum of total Corporation membership, then the amendment may be incorporated into the By-Laws.

Amended:

Section 2

Proposed amendments to the By-Laws must be submitted in writing to the Board of Directors at least one month prior to the annual General Membership meeting. The proposed amendment may originate from the Board of Directors or by a petition signed by at least fifteen percent (15%) of the Corporation membership.

[A-16] At least two weeks prior to the annual General Membership meeting, a copy of the proposed amendment shall be distributed in writing to each member of the Corporation by the Secretary of the Board of Directors. Voting will be done by written ballot or by electronic ballot after the General Membership Meeting, and the results will be announced to the General Membership no later than two weeks after the annual meeting. If the majority of the votes cast at the General Membership meeting approves the adoption of the amendment, and the total number of votes cast meets or exceeds a quorum of total Corporation membership, then the amendment may be incorporated into the By-Laws.

Proposed Change to the By-Laws - Amendment 17 May 2005

ARTICLE VI Section 1-3: Administration and Organization

Original:

Section 1

[A-6] [A-12] Administration of the Space Family Education, Inc. facility shall be by the Board of Directors. The five members of the Board of Directors shall be elected biannually at the General Membership Meeting.

Section 2

[A-13] Nominations for the Board of Directors shall be submitted in writing to the Secretary of the Board of Directors at least one month prior to the annual General Membership Meeting. Nominees for the various positions must meet any requirements for officers specified in the Corporation By-Laws. The Secretary shall then prepare a slate of nominees, and transmit this in writing to each Corporation member at least two weeks prior to the annual General Membership Meeting. Voting will be done by written ballot or by electronic ballot after the General Membership Meeting, and election results will be announced to the General Membership no later than two weeks after the annual meeting. Members of the Board of Directors will be elected by a majority of the quorum.

Section 3

The members of the Board of Directors shall serve without remuneration. Each Director shall serve for a 27-month term. The three months at the end of each Board's term shall overlap the first three months of the new Board's term, for the sake of continuity. The newly-elected members shall not have voting privileges for the first 90 days. The Board of Directors shall consist of five members, and shall include the President, Vice- President, Secretary, Treasurer, and the Policies and Procedures Committee Chairperson. The Directors shall decide among themselves the distribution of positions.

Proposed Change to the By-Laws - Amendment 17 May 2005

ARTICLE VI Section 1-3: Administration and Organization

Amended:

Section 1

[A-6] [A-12] [A-17] Administration of the Space Family Education, Inc. facility shall be by the Board of Directors. The Board of Directors shall consist of five members, and shall include the President, Vice- President, Secretary, Treasurer, and the Policies and Procedures Committee Chairperson. The members of the Board of Directors shall serve without remuneration.

Section 2

[A-13] [A-17] The Board of Directors shall be elected by the general membership. Nominations for the Board of Directors shall be submitted in writing to the Secretary of the Board of Directors at least one month prior to the annual General Membership Meeting. Nominees for the various positions must meet any requirements for officers specified in the Corporation By-Laws. The Secretary shall then prepare a slate of nominees, and transmit this in writing to each Corporation member at least two weeks prior to the annual General Membership Meeting. Voting will be done by written ballot or by electronic ballot after the General Membership Meeting, and election results will be announced to the General Membership no later than two weeks after the annual meeting. Members of the Board of Directors will be elected by a majority of the quorum.

Section 3

[A-17] In order to establish staggered terms, beginning in June 2005, members shall elect 5 Directors. The current Board will continue to serve the 27- month term for which they were elected, overlapping for three months with the new Board for the sake of continuity. The newly elected Board shall not have voting privileges for the first 90 days. Once elected, the newly elected Board shall decide among themselves two (2) Directors to serve a 1-yr term and three (3) Directors to serve a 2-yr term. Each year thereafter the general membership shall elect two (2) or three (3) Directors, as the case may be, for a term of two (2) years. The Directors shall decide among themselves the distribution of positions. The newly elected Directors shall have voting privileges immediately. Any member of the Board of Directors may be re-elected for no more than two consecutive terms.



Thank You

SFEI Annual Report: Treasurer backup chart

* Committee members

- Jana Arvidson (Med Ins)
- Debbie Berdich (Short, Long Term)
- Michael Berdich (Short, Long Term)
- Lisa Blok (Short Term, Med Ins)
- TQ Bui (Short, Long Term)
- Gloria Cybulski (Short Term, Med Ins)
- Jane Gensler (Long Term, Med Ins)
- Susan Gomez (Long Term, Accounting)
- Kristy Hirning (Short, Long Term, Accounting)
- Jennifer Lewis (Accounting)
- Jennifer Mason, Chair (Long Term, Accounting)
- Liana Rodriggs (Long Term)
- Shelly Schroeder (Long Term, Accounting)
- Miranda Scroggins (Accounting)
- Ric Slater (Short Term)
- Darin Wilson (Long Term)

* Subcommittees

- Short term/Fundraising – Identify options for raising funds in short term, quick turnaround
- Long term – Identify options/tradeoffs for balancing the long term budget
- Accounting – Develop the SFEI budget based on input and rec's from other subcmtees; Adjust Quickbooks software as necessary to improve financial mgt
- Medical Insurance – Investigate other medical plans that might save money and deliver comparable level of service

Other Alternatives Considered

Alternative

1. Cancel Parentwatch (\$10K savings)
2. Sell buses (\$8K/\$9K annual loan amounts)
3. Only increase tuition in order to make up negative cashflow
4. Provide no staff salary increases and bonuses
5. Increase number of children to maximum allowed by NAEYC and State guidelines (eg, 20 kids in room 9)
6. Offer babysitting on nights and weekends
7. Offer afterschool activities for older children
8. Elimination or cutback of enrichment programs
9. Establish non-refundable annual Enrollment Fee to cover admin costs of enrolling child

Analysis

- Does not meet objective of minimizing impact to current services
- Does not save money due to additional cost of leasing buses and insurance needed to support field trips and summer camp
- Only 2-3 years left on loans; selling now would be at a considerable loss
- Does not meet objective of looking at other revenue increases and expense decreases
- Does not meet objective of minimizing impact to teachers
- Will have negative impact on morale and quality of care
- Questionable impact to quality of teacher/child relationships
- Questionable profit
- Adequate facility is not available at this time
- Does not meet objective of minimizing impact to quality of programs for kids
- Concept is confusing and creates additional burden to families at beginning of year

